

## **National Motor Vehicle Title Information System**

### **Chronology of Events**

- Oct. 25, 1992**                    **Congress passes the Anti-Car Theft Act of 1992.** Title II of the Act requires the Department of Transportation (DOT) to establish the National Motor Vehicle Title Information System (NMVTIS) no later than **January 31, 1996.**
- NMVTIS is to include (1) title information to be provided by all of the states, (2) monthly reports from all junk or salvage yards with an inventory of all junk or salvage vehicles obtained during the preceding month, and (3) monthly reports from all insurance carriers containing all junk or salvage vehicles obtained by the insurance carriers during the preceding month. The Secretary is required to establish rules to facilitate reporting and provide access to the database to consumers.
- The statute allows the system to be operated by a third party, which may collect user fees that would render the system self-sufficient. The government selects the American Association of Motor Vehicle Administrators (AAMVA) as the system operator.
- April 25, 1993**                    Responsibility for NMVTIS is delegated by DOT to the National Highway Traffic Safety Administration (NHTSA). A task force representing affected industries, but not consumer groups, is convened. The task force is known as the Motor Vehicle Titling, Registration, and Salvage Advisory Committee.
- February 1994**                    The task force reports its recommendations, including (1) passage of federal legislation requiring uniform of definitions of salvage vehicles, (2) funding sources for titling system, and (3) penalties to enforce compliance.
- October 1994**                    DOT accepts most of task force recommendations.
- May 1994**                    DOT sends proposed legislation asking Congress to extend target date for implementation of NMVTIS from January 1996 to October 1997. DOT claims that the extension is needed to allow AAMVA to conduct a pilot test of NMVTIS, after which DOT can study the results.
- December 1994**                    NHTSA denies AAMVA's request for funding for the pilot study of NMVTIS. Congress, however, provides \$890,000 for the pilot study of NMVTIS by NHTSA in DOT's annual budget.

**Nov. 29, 1995**

Congressman Chuck Schumer of New York, then a member of the House Judiciary Committee, asks GAO to look into the implementation status of the 1992 Anti-Car Theft Act provisions.

**December 1995**

H.R. 2803, the Anti-Car Theft Improvements Act, is introduced in the House. The legislation would (1) transfer DOT's responsibility for NMVTIS to DOJ, (2) extend the implementation deadline from January 31, 1996, to October 1, 1997, and (3) provide immunity for those participants (e.g. system operators, insurers, and salvagers) who make good faith efforts to comply with the 1992 Act's requirements.

**January 1996**

**Congress passes the Anti-Car Theft Improvements Act of 1996.** Responsibility is transferred to the Attorney General, the deadline for establishing NMVTIS is extended to December 1, 1997, and immunity is extended to those who report to the system.

The House Report accompanying the legislation observes that the government "was required to establish [NMVTIS] by January 31, 1996" and had "failed to meet its statutory deadline." The Report also reiterates the importance of prompt "implementation of the much-needed national titling information system, which would prevent thieves from obtaining legitimate vehicle ownership documentation and deter other serious consumer fraud related to transfer of motor vehicle ownership." The Report concludes that the "costs imposed on society" by such auto theft and fraud "remain unacceptably high, due in part to the failure to implement [NMVTIS]."

**April 22, 1996**

In response to Congressman Schumer's request, GAO issues a report, *Anti-Car Theft Act: Implementation Status of Certain Provisions of the 1992 Act*. It concludes that DOJ and DOT have failed to comply with statute, and suggests steps that need to be taken.

**July 23, 1998**

Senator John Ashcroft, then Chairman of the Subcommittee on Consumer Affairs of the Senate Commerce Committee, writes to the GAO expressing concern about the development of NMVTIS. He asks for report on (1) current status of NMVTIS, (2) whether the DOJ has evaluated NMVTIS's expected costs and benefits to ensure that additional federal investment in NMVTIS is justified.

**Aug. 13, 1999**

Responding to Senator Ashcroft's request, GAO issues a report entitled *Anti-Car Theft Act: Issues Concerning Additional Federal Funding of Vehicle Title Information System*, GAO/GGD-99-132 (Aug. 1999). The report concludes that DOJ has not evaluated NMVTIS's expected costs and benefits and recommends that such analysis be conducted. It says that AAMVA estimated

development and implementation to cost \$34 million. Through fiscal year 1998, Congress had provided about \$8 million of an expected \$22 million federal investment. The states and AAMVA and its contractors would be expected to provide the remaining \$12 million.

**2000**

AAMVA issues a report evaluating its pilot test of the NMVTIS system. The report concludes that the system “fulfills the requirements of the Anti-Car Theft Act in a way that is technically feasible, and that it also reduces fraud and deters titling of stolen vehicles.” The report also concludes that, although funding was a barrier to full participation by the states, the system is ready to receive and process reports from insurance carriers and junk and salvage yards, as required by Congress. The report concludes that the one thing standing in the way of reporting by insurance carriers and junk and salvage yards is the Justice Department’s failure to issue the reporting regulations required by the statute.

**2001**

The Justice Department’s own cost-benefit analysis concludes that NMVTIS is a bargain and would greatly reduce auto theft and auto fraud.

**Oct. 6, 2006**

NPR runs a story on the failure to implement NMVTIS: Jeff Brady, “Holes in Monitoring System Let Lemons Get Resold,” NPR. It outlines the failure of NMVTIS implementation and delay in rulemaking by DOJ.

**Nov. 16, 2006**

Senate Commerce Committee holds hearings on protecting consumers from flooded and salvaged vehicle fraud. AAMVA’s testimony suggests that increased state participation and implementation of insurance carrier and junk yard provisions of NMVTIS would help protect consumers from fraud.